CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE

November 2, 1998

S. 1693
National Parks Omnibus Management Act of 1998

As cleared by the Congress on October 14, 1998

S. 1693 would reform various policies and practices of the National Park Service (NPS). The act also would modify the agency's authority to collect and spend certain fees from park visitors, concessionaires, and other users of park property. CBO estimates that the act would increase outlays from direct spending, primarily because it would allow the NPS to spend—without further appropriation—more of the funds that the agency is expected to collect under current law. The following table summarizes CBO's estimates of the legislation's effects on direct spending. For pay-as-you-go purposes, only the effects in the budget year and the subsequent four years are counted.

	By Fiscal Year, in Millions of Dollars									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	8	5	7	8	12	14	13	13	14	14
Changes in receipts	Not applicable									

Concessions Reform. Title IV would reform the concessions activities of the NPS to improve the financial benefits received by the park system. CBO expects that the changes made by Title IV to the competitive bidding process for concession contracts would raise franchise fees paid to the government by contractors. Such changes also would increase deposits made into the bank accounts that concessioners often hold and use for park improvements, as required by many existing contracts. These special bank accounts—known as "improvement accounts"—are often maintained by concessioners in lieu of paying franchise fees and are used for on-site improvements at the direction of the park superintendent. CBO estimates that franchise fees and deposits to improvement accounts would increase by about $4 million in fiscal year 2000 and by $38 million through 2003. Spending of the new franchise fees and improvement account deposits would increase by similar amounts, but more slowly. Because the new receipts and resulting new spending would offset each other in the long run, there would be no net budgetary effect over time.

However, because this title also would allow the NPS to spend without further appropriation those franchise fees that are earned under existing law, CBO estimates that it would cause a net increase in direct spending of $8 million in 1999 and of nearly $50 million through 2003.

National Park Passport Program. Title VI would direct the NPS to create a new national park passport program. The new $50 annual passport, with an accompanying collectible stamp, could be sold on consignment, for an unspecified commission, by private vendors. Title VI would direct the NPS to deposit all offsetting receipts earned under the new program into a special account in the U.S. Treasury, from which they would be available without further appropriation. CBO expects that most of the receipts collected from sales of national park passports (NPPs) would result from one provision of Title VI that clarifies that the NPS may sell the new passports through private vendors. We estimate that such private-sector sales would increase NPS offsetting receipts by $9 million in fiscal year 2000, rising to nearly $20 million a year by 2003. Offsetting receipts from sales of NPPs would increase further—by an average of $12 million annually beginning in 2002—when CBO expects the NPS to terminate the sale of its existing annual pass, the golden eagle (GE) passport. As a result of terminating the GE, the $12 million increase would be offset partially by the loss of about $6 million a year that would be earned under current law.

In aggregate, allowing private-sector consignment sales and phasing out the use of GEs in favor of NPPs would increase federal offsetting receipts by around $9 million in 1999 and by nearly $25 million in 2003, for a five-year total of $70 million. Because the act would allow the NPS to retain and use about $5 million that would be earned (but not spent) each year under existing law, in addition to spending the new receipts, direct spending (of sale collections) would exceed the increase in offsetting receipts beginning in 2003. In the first years, however, additional spending would be less than the increase in receipts. As a result, CBO estimates that net direct spending would decrease by $10 million over the 1999-2003 period. Net spending would increase by $5 million to $6 million annually after 2003.

Other NPS fees. S. 1693 also would allow the NPS to establish new fees for transportation services provided by the agency or its contractors at certain parks and to lease space in NPS buildings to other entities. Both the new fees and rental income would be available for spending by the agency without further appropriation. CBO estimates that any increase in receipts from either source would be small. Moreover, the spending of this income would offset the additional offsetting receipts over time, resulting in no net impact on the federal budget.

The CBO staff contact for this estimate is Deborah Reis. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.